

**Utah Insurance Department**  
**Content Standards**  
**Individual Variable Life including Variable Universal Life**

NOTE: These Standards are provided to assist the insurer in filing forms and rates. They are not intended to be all-inclusive and are a work in progress. References beginning with "31A" refer to the insurance code as part of Utah Code Annotated (U.C.A.) and those beginning with "R590" refer to department rules as part of the Utah Administrative Code (U.A.C.). The comments are a brief synopsis of the referenced material and do not contain all requirements or exceptions. All references should be reviewed for compliance. **As required by U.C.A. § 31A-21-201(2), the insurer is responsible for assuring that forms and rates submitted are in compliance with the Utah Insurance Code and Rules.**

GENERAL REQUIREMENTS		
Accurate, Consistent and Complete Filing Data	31A-2-202(6) R590-226-5	All filing information and data must be accurate, complete and consistent within all filing documents. The data page must contain amounts consistent with the actuarial memorandum and demonstration of values. Failure to comply may subject the insurer to the enforcement penalties under 31A-2-308.
Annual Percentage Rate (APR)	31A-21-201(3)	An annual percentage rate (APR) in connection with the premium creates the appearance of a loan. This is a misleading practice and not in the public interest.
Application	31A-21-201(3)	An application must identify the insurer's name and address; must contain a replacement statement to be signed by the applicant and a statement to be signed by the agent. The application may not contain vague health questions without a time limit.
Arbitration	31A-21-314 R590-122	An arbitration provision must be properly disclosed in the policy, certificate, application and enrollment forms. No provision may deprive Utah courts of jurisdiction over an action against an insurer, except as provided in permissible arbitration provisions.
Assignment	31A-22-412	An assignment provision must allow the owner of any rights in the policy to assign any of those rights.
Autopsy and Physical Examination	31A-22-417	Autopsy and/or physical examination are at the insurer's expense.
Claims Settlement	31A-26-301(1) R590-191-4 R590-191-5	All proceeds and claims settlement provisions must provide for prompt claim handling. Interest must be paid if the claim is not settled within 15 days of completion of the investigation.
Cost of Insurance Rates	31A-21-302	Guaranteed cost of insurance rates must be contained in the policy.
Coverage Name, Description & Special Features	31A-21-201(3)	The coverage name or title and a brief description of the coverage must be identified on the policy cover.
Data Page	R590-226-7	The data page must disclose the specific data for the coverage including the benefits, amounts, durations, premium information, and any other benefit data applicable to the insured. All filing data must be consistent with the actuarial memorandum and other filing documents.
Death Benefit	31A-21-201(3)	The policy must clearly describe the death benefit and how the proceeds are determined.
Death Benefit Exclusions	31A-21-201(3) 31A-21-106(2)	Exclusions for war, terrorism, participation in a riot, commission or attempt to commit a felony or assault are not allowed in a life insurance policy. On an individual issue basis, a war exclusion endorsement may be added to a policy with consent of the policyholder.
Deferral of Payment of Values	R590-98	The right to defer payment of variable benefits is limited due to actions of Securities and Exchange Commission.
Entire Contract Provision	31A-22-424	Entire contract provision must define the documents and agreements that constitute the entire contract.
Examination Period	31A-22-423	A required examination period of 10 days for new issues and at least 20 days for replacement policies. A refund of premium is required upon return of policy within the examination period.
Filing of Forms	31A-21-201 R590-226-5 R590-226-10	Forms are accepted on a "FILE AND USE" basis. It is the insurer's responsibility that the filing is in compliance with Utah law and rules.

Grace Period	31A-22-402	Grace period entitles the policyholder to at least a 31-day grace period during which the policy continues in full force.
Incontestability	31A-22-403	Incontestability provision states the policy is incontestable after it has been in force during the lifetime of the insured for a period of two years. The code does <u>not</u> allow an exception for fraud. A survivorship policy is incontestable after it has been in force during the lifetime of the surviving insured for a period of two years.
Incorporation by Reference	31A-21-106 Bulletin 96-9	Except as provided in 31A-21-106(1)(b), no policy may contain any agreement or incorporate any provision not fully set forth in the policy.
Insurable Interest	31A-21-104	Policies used in the Bank Owned Life Insurance (BOLI) and Corporate Owned Life Insurance (COLI) must include an individual application or a Notice of Consent form to be signed by the life to be insured. The extent of the employer's insurable interest is limited to an amount commensurate with employer's unfounded liabilities.
Insurer Name	31A-21-201(3)(a)(iii) 31A-21-301(1)(a)	The exact name of the insurer, the administrative office address, and state of domicile must be identified conspicuously on the policy.
Limitation of Actions	31A-21-313 31A-21-314	Such provisions may not restrict the right of action against an insurer to no less than 60 days and no more than three years from the date the cause of action accrues. The provision may not deny Utah court jurisdiction.
Loan Interest	31A-22-420	Interest may be fixed or adjustable as required by the rule. Utah does not allow an additional expense charge or fee.
Maturity Date	31A-21-301(1)(f) R590-223	Maturity date must be disclosed.
Misstatement of Age and/or Sex	31A-22-405	Policy must state that if the age and/or sex of the insured is misstated in an application and the error is not adjusted during the person's lifetime, the amount payable is what the premium paid would have purchased at the correct age and/or sex. The code does not allow for an adjustment due to misstatement of a rating class for tobacco use or for smoking status.
Non-guaranteed factors	31A-21-201 31A-21-302 31A-22-411	The policy must describe the criteria the company follows for adjusting cost of insurance rates, expenses, charges, fees or other nonguaranteed factors if such factors are adjusted.
Payment of Values	R590-98	A request for payment of values must be processed within the allowable time limits.
Policy Provisions and Values	31A-22-411 31A-22-408 R590-133	Policies that provide for benefits in variable amounts must contain: (a) a statement of the essential features used in determining the value of the variable benefits; (b) appropriate nonforfeiture benefits in lieu of those required by 31A-22-408; (c) appropriate reinstatement provisions; (d) appropriate grace period provisions; (e) a statement that the dollar amount may decrease or increase and that benefits are on a variable basis. Insurers may refer to the NAIC Variable Life Model Regulation for guidance. A fixed interest sub-account in a variable policy is subject to Utah's Standard Nonforfeiture Law for Life Insurance.
Premiums	31A-21-302	Policy premiums for the base policy and for each rider must be clearly disclosed separately on the schedule pages. Policy fees and charges must be disclosed separately.
Proof of Loss	31A-21-312 Bulletin 87-6	Proof of loss provision must allow the insured or claimant to file the notice and/or proof of loss as soon as reasonably possible. Failure to file within the time specified does not invalidate a claim if the insured or claimant shows that it was not reasonably possible to file within the time specified and that notice and/or proof was filed as soon as reasonably possible. The provision <u>may not</u> state that in no event, except in the absence of legal capacity, may proof be filed later than the time proof is otherwise required.
Reinstatement	31A-22-411 R590-108	Policy must allow reinstatement within three years of the date of premium default. Policy may require payment of premiums in arrears with interest at a rate not exceeding the rate for policy loans.
Settlement Options	31A-22-406	If the policy provides that proceeds may be payable in installments that are determinable at the issue date of the policy then it shall provide a table showing the amounts and intervals of the installments.
Suicide Exclusion	31A-1-301 31A-22-404	Suicide is only allowed as a defense to a claim during the first two years from the date coverage is effective and for the two years after an increase in coverage. The policy must provide for return of premium. "Policy", as defined in law, means a document, including attached riders; therefore, a deduction for the cost of the rider is not permitted. Suicide may not start anew from the date of reinstatement.

Unfair, Misleading, Deceptive Provisions.	31A-21-201(3)(a)	Provisions may not be inequitable, unfairly discriminatory, misleading, deceptive, obscure, unfair, encourage misrepresentation, or not in the public interest. The policy may not contain inconsistent, ambiguous or misleading clauses, or contain exceptions and conditions that unreasonably affect the benefits purported to be provided in the general coverage of the contract.
Variable Benefits and Values	31A-22-411	The policy must conspicuously state that the benefits are payable on a variable basis, with a statement specifying where the details of the variable provisions are found in the policy.
Variability - (bracketed data)	31A-21-201 R590-226-6 R590-226-7	All variable information must be bracketed with an explanation of the variables. Changes must be refiled prior to use.
<b>ACTUARIAL REQUIREMENTS</b>		
Actuarial Memorandum, Demonstration, and Certification of Compliance	31A-17 Part 5 31A-22-408 31A-22-411 R590-226-6	Actuarial memorandum, demonstration, and certification of compliance must be currently signed and dated by an actuary. The memorandum must describe the features of the policy; list all types of accounts, the assumptions underlying reserve and nonforfeiture calculations (mortality tables, interest rates, etc.) and include sample reserve and nonforfeiture calculations of the same risk classification as the policy submitted in the filing. Show projected reserve development.
Secondary Guarantees	R590-198 R590-226-6	A policy that contains secondary guarantees (no-lapse period, guaranteed minimum death benefit, guaranteed minimum income benefit, etc.) then the actuarial memorandum must specifically address reserving methodology pertaining to such guaranteed benefits, including demonstrations, calculations, values, etc.
<b>MARKETING and DISCLOSURE FORMS</b>		
Annual Report	R590-133	Report must include, at minimum, investments held in separate account and amount of the death benefit.